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DE RUEHAH #0958/01 2061403 ZNY CCCCC ZZH P 241403Z JUL 08 FM AMEMBASSY ASHGABAT TO RUEHC/SECSTATE WASHDC PRIORITY 1226 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY RUCNCIS/CIS COLLECTIVE PRIORITY RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY RUEHAD/AMEMBASSY ABU DHABI PRIORITY 0405 RUEHAK/AMEMBASSY ANKARA PRIORITY 4071 RUEHBJ/AMEMBASSY BEIJING PRIORITY 1886 RUEHKL/AMEMBASSY KUALA LUMPUR PRIORITY 0200 RUEHKO/AMEMBASSY TOKYO PRIORITY 1752 RUEHIT/AMCONSUL ISTANBUL PRIORITY 2321 RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY RUEAIIA/CIA WASHDC PRIORITY RHEFDIA/DIA WASHDC PRIORITY RUEKJCS/JOINT STAFF WASHDC PRIORITY RHEHNSC/NSC WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY

## CONFIDENTIAL ASHGABAT 000958

## SIPDIS

STATE FOR SCA/CEN, EUR/CARC, EEB PLEASE PASS TO USTDA DAN STEIN ENERGY FOR EKIMOFF/THOMPSON COMMERCE FOR HUEPER

E.O. 12958: DECL: 07/25/2018 TAGS: <u>PREL</u> <u>PGOV</u> <u>EPET</u> <u>AJ</u> <u>TX</u>

SUBJECT: TURKMENISTAN/AZERBAIJAN: GAC MARINE OFFERS DETAIL

ON APRIL 11 AZERI GUNBOAT EPISODE

Classified By: Charge d'Affaires Sylvia R. Curran for reasons 1.4(B) an d (D).

- 11. (C) SUMMARY: The country manager of GAC Marine, the company that was providing towing services for the rig intercepted by Azeri border guard vessels on April 11 told A/DCM on July 24 that the rig and vessels were at no time anywhere close to the median line that Azerbaijan claims at its border. Instead, the rig, which was conducting exploratory drilling for Petronas, and the vessels were within block I. The country manager's story rings true (and tracks with what our other sources have said), since neither GAC Marine, TransOcean (which owned the rig) or Petronas would have had anything to gain by conducting exploratory drilling outside of block I. END SUMMARY.
- 12. (C) During a July 24 meeting with A/DCM, Greg Flint, the Australian-citizen manager of GAC Marine, provided additional information about the events on April 11 when Azeri border guard gunboats forced a drilling rig to move position, an incident which has created a rub in the budding relationship between Turkmenistan and Azerbaijan. According to Flint, the rig involved was the Trident-20, owned by TransOcean, which was doing exploratory drilling for Petronas in Turkmenistan's offshore block I. GAC Marine vessels were providing towing services for the rig as it was moved from location to location.
- 13. (C) Flint showed A/DCM the log of the GAC Marine vessels. According to the log, the Trident-20 arrived at the SMh-1 area inside block I to do an experimental drilling on April 18. On April 10, the rig decided that the floor at that location was too soft to drill, so the rig's legs were reloaded and the rig, towed by GAC Marine vessels, went on to

a new site located close by (and close to but not outside of the block I border), SMh-b. The rig put down its legs and had started to drill on April 11 when, at 9:45 am, two Azeri gunboats arrived and ordered the rig to stop its activity. The GAC Marine vessels got in touch with Flint, who contacted Turkmenistan's State Agency for Management and Use of Hydrocarbon Resources. According to Flint, the State Agency's head, Bayrammurat Muradov, then called the Azeri Coast Guard.

- 14. (C) Flint asserted that his vessels' GPS systems showed that they were still clearly in block I. More tellingly, he said, the GPS locator system on the Trident-20 -- which is much more sensitive than the GAC Marine systems due to the need to do very precise drilling -- also placed the rig in block I, rather than block III, waters. He showed A/DCM on a map approximately where the Trident-20 had been located when it was intercepted: south and west of the Livanov central field, close to where block I borders with block III. He said that the rig and tow vessels were in block I waters the entire time the Trident-20 was working for Petronas. Flint also told A/DCM that there was no Russian hydrographic research vessel with the vessel group involved with the Trident-20. (NOTE: According to Ref. A, the Azerbaijan coast guard claimed that a Russian hydrographic research vessel, "Professor Velinkov," was accompanying the Trident-20. END NOTE.)
- 15. (C) COMMENT: Flint's story tallies closely with the earlier version that post received from the Wintershall country manager (Ref. B). Neither GAC Marine, TransOcean or

Petronas would have had anything to gain by conducting exploratory drilling outside of block I and, in fact, would have wasted hundreds of thousands of dollars by doing so. All this strongly suggests that the Azeri gunboats, in fact, may have crossed the Azeri-claimed median line and gone even beyond the disputed block III to enter block I -- undisputed Turkmen territory. The only outstanding question is what might have motivated the Azeri vessels to do so. END COMMENT. CURRAN